

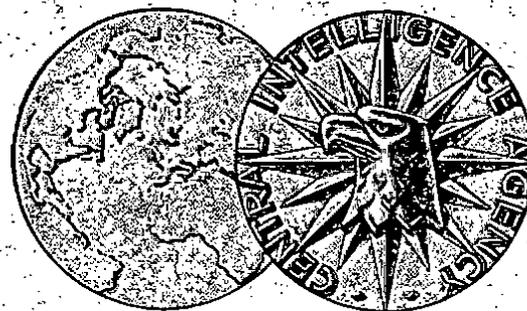
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WEEKLY SUMMARY



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SECRET**H I G H L I G H T S**

As the fighting in Korea continued to attract world attention and showed no signs of coming to an early end, the military capabilities of the Chinese Communists, as well as Soviet intentions regarding the use of these capabilities, were generally being regarded as the principal factors affecting the outcome of the battle in Korea and determining whether the fighting will spread to other areas of the Far East. With regard to the critical areas of Korea, Taiwan, and Indochina, the USSR must reckon with political and strategic considerations of varying magnitude in deciding whether or not to commit Chinese Communist forces. Indochina offers the Chinese Communists their greatest opportunity for expanding Communist influence in Asia with the minimum military or political risks (see page 11). The commitment of Chinese Communist forces in Korea, however, would complicate if not jeopardize Soviet control over both the Korean and Chinese Communist regimes (see page 9), and an invasion of Taiwan would be tremendously costly and the immediate advantages would be balanced by the increased risk of precipitating a global war (see page 10).

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SECRET**SOVIET PROPAGANDA THEMES**

Line on Korea The voluminous Soviet-Communist propaganda output on the fighting in Korea does not yet offer any clue regarding Soviet intentions. Although the US has become the principal target of the increasingly belligerent Soviet propaganda attack, the general approach being followed still provides the basis either for other military maneuvers or for localizing the Korean conflict. The major Soviet objective at the moment appears to be to fasten on the US the stigma of planned aggression against the Korean people and to develop the general thesis that this aggression is but one phase of an over-all US plan of attack. As part of this general war-scare theme, the USSR has been laying new emphasis on alleged US intentions to employ bacteriological weapons in its future aggressions. Meanwhile, the propaganda campaign among the Russian people is marked by a note of urgency and by an "atrocities-mongering" note somewhat out of harmony with internal propaganda practices followed since the end of the war. Although the technique of holding mass protest meetings is a common one, the scale and intensity of the protest meetings appeared unusual. At the same time, atrocity stories similar to those used about the Germans following the June 1941 attack on the USSR are being circulated about the Americans.

Balkan War of Nerves Soviet-Satellite propaganda directed at Yugoslavia, Greece and Turkey has noticeably increased during the past few weeks and is contributing materially to the development of a war psychosis throughout the Balkan area. Propaganda directed against Yugoslavia has concentrated on themes which could be utilized to justify increased Soviet-Satellite pressure, including armed aggression. The US has been charged with preparing Greece

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for "immediate military action in the Balkans" and more attention is being paid to Turkish "provocations." Although there is no firm evidence pointing to imminent Soviet-inspired military action in the Balkans, Soviet-Satellite military strength in the area is being built up. The propaganda campaign now being waged could at any time provide justification for "defensive" moves by the Cominform countries against Yugoslavia, Greece or Turkey.

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SECRET**REACTIONS TO KOREAN SITUATION**

Western Europe The basic feeling of insecurity still prevailing in Western Europe continues to loom large in Western European reaction to the Korean situation. Despite continued evidence of progress toward economic and military stability (as seen in the formal agreement on the EPU, progress on the Schuman Plan and the arrival of the first shipments of MDAP aid), Western Europeans remain acutely aware of their still precarious position vis-a-vis the USSR. Under these circumstances, despite their initial enthusiastic reaction to US intervention, the continental countries will understandably grow more jittery regarding the possibility of global war developing out of the Korean fighting and will be particularly susceptible to the psychological impact of US military reverses. They would view with serious alarm any diversion of US military aid from Europe to Korea and may even urge that heightened world tension calls for an accelerated program of US aid to Western Europe itself. On the other hand, the Korean situation will impress anew upon Western Europe its almost complete defenselessness and may provide the US with an opportunity to press for a greater defensive effort, including more effective mutual aid and more balanced collective forces.

Yugoslav Attitude The Soviet-inspired attack on Korea has confronted Yugoslavia with a particularly difficult task in maintaining its Communist position while at the same time defending itself against possible Soviet aggression. As advocates of pure Leninism, Yugoslavia has consistently branded the South Korean regime as reactionary and a product of Western colonialism. On the other hand, the Soviet-inspired attack has forced the Yugoslav Government to reappraise Soviet intentions. Meanwhile, Yugoslavia is placing greater reliance on the UN as a safeguard against aggression. Although

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Yugoslavia abstained in the first Security Council vote on Korea and voted against the second US resolution, Yugoslav officials have since then indicated that at the earliest appropriate moment Yugoslavia would adhere to the Security Council resolution. Meanwhile, as the gap between the USSR and the West widens, Yugoslavia will find it more and more difficult to maintain its independence in the cold war. In the event of a Soviet withdrawal from the UN, Yugoslavia as the only Communist nation remaining in the UN would become increasingly identified with the Western struggle against Soviet expansion. Even under these circumstances, however, it could scarcely afford to withdraw from the United Nations, thereby probably sacrificing Western support in the event of a Soviet attack.

Arab Reaction Although the earnest representations of the US, the UK, and Pakistan have elicited from Arab officials some private expressions of approval for the use of sanctions in Korea, Jordan is still the only Arab state openly to support the Security Council resolution calling for aid to South Korea. Egypt, while it has felt compelled to reassert its opposition to Communist aggression, remains officially committed to abstaining from approving UN sanctions against North Korea. Lebanon, Iraq, and Syria have confined themselves to equivocal statements which take "note" of the SC's cease-fire resolution (which Egypt backed) but ignore the later sanctions vote; in general terms, all deprecate any action which might disturb the peace but at the same time criticize the UN for alleged failure to prevent Israeli aggression. Meanwhile, Saudi Arabia is reportedly attempting to persuade Egypt to support US (as opposed to UN) action in Korea, but there is little reason to believe that Egypt will agree or even that Saudi Arabia will openly adopt such a policy on its own. Any change in the attitude of the Arab governments

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will depend largely on the nature of their respective relations with the US and the UK, as well as on developments in Korea in the immediate future.

North and West Africa Arab nationalists throughout French North Africa are not likely to react favorably to the US and UN action in Korea. Some spokesmen have already expressed sympathy with the Egyptian attitude and have indicated their belief that the US has fallen into the same error in Korea as it did by supporting Chiang Kai-shek and Bao Dai. The Nationalists generally show little concern over the prospect of general war developing out of the Korean fighting; in fact, many would welcome global conflict as an opportunity to strike a blow at the French. No amelioration of general nationalist hostility to the US position on Korea can be expected unless the French can be persuaded to effect drastic social and political reforms throughout the area. This Nationalist opposition, however, will have little effect on the loyalty of French-led native troops and will probably not result in anything more than verbal protests at this time.

India-Pakistan One notable aspect of the Korean crisis is the active roles which India and Pakistan have assumed in it. Although neither country is at present expected to provide material support for the UN forces in the Korean dispute, both nations have made special diplomatic efforts to further a UN solution of the problem. As the spokesman of a leading Moslem state, the Pakistan Foreign Minister has been attempting (though without discernible success) to persuade the Arab states to support the Security Council resolution calling for active measures to halt North Korean aggression. The Government of India, meanwhile, has been making earnest efforts to lessen the possibility of a new world war. After first making a short-lived and unsuccessful attempt to promote mediation of the dispute, India

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has since been trying to ease tension over Formosa, fearing that the military forces of Communist China may become involved with US forces, that the USSR may desire such a development, and that if it occurs the USSR's position vis-a-vis the US in Europe and elsewhere would be so greatly strengthened as to encourage overt action by the USSR. It is India's opinion that the present US position in regard to Formosa constitutes a challenge to Communist China which the latter may not ignore. India has accordingly urged Chinese Communists to exercise restraint and has made known to the US Government its ardent hope that the US would find some means of alleviating the strain existing between it and Communist China, perhaps by a public statement indicating that its interest in Formosa is only temporary. Simultaneously India has espoused the Chinese Communists' claim to China's seat on the Security Council, maintaining that the USSR will return to the Council only if accompanied by Communist China and that discussions leading to a cessation of hostilities might then take place.

Southeast Asia All five UN member nations in Southeast Asia (Australia, Burma, The Philippines, New Zealand and Thailand) have endorsed the vigorous UN actions in the Korean war, and all but Burma have offered material assistance. Nevertheless, considerable apprehension exists regarding developments in Korea and there is some reluctance to take an irrevocable stand on the issue. This tendency toward neutrality is most clearly discernible in Burma and Indonesia, both of which suffered under prolonged Japanese occupation and experienced violent post-war Communist uprisings. Burma has thus made it clear that its support for the UN action in no way effects its existing policy of maintaining friendly relations with all countries; and Indonesia has officially announced a policy of neutrality

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on the ground that it would be unwise to stir up leftist-inspired trouble unnecessarily at a time when every effort is being made to establish a stable, unitary state. The Indonesian stand stems in part from a reluctance to establish a precedent in the event of similar US action in the event of a Chinese Communist military attack on Indochina. Indonesia, as well as Burma, has recognized Communist China and is well aware that UN intervention in support of France and Bao Dai would receive little popular support in Southeast Asia. In conclusion, the Southeast Asian nations are now faced with the embarrassing dilemma of supporting the UN and maintaining their moral self-respect while at the same time avoiding entanglements which could jeopardize their independence.

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SECRET**COMMUNIST CHINA'S ROLE**

As it becomes more apparent that the fighting in Korea will be prolonged, the military capabilities of the Chinese Communists, as well as Soviet intentions regarding the use of these capabilities, provide the principal key to the outcome of the fighting in Korea and to whether the fighting will spread to other areas of the Far East. Before the US action in Korea, the Chinese Communists were believed capable of launching, individually or simultaneously, successful military action against Korea, Hong Kong and Macao, or Indochina; a Chinese Communist invasion of Taiwan, though costly, was also considered within Communist capabilities. Events since then, however, have affected Chinese Communist capabilities for action in the three key areas of Korea, Taiwan, and Indochina, and have raised new political and strategic problems regarding the use of Chinese Communist military forces in these areas.

Aid to Korea The USSR will be confronted with a difficult problem if forced to decide whether to permit a North Korean defeat or to use Chinese Communist troops to win or prolong the struggle indefinitely. Although a North Korean defeat would have obvious disadvantages, the commitment of Chinese Communist forces would not necessarily prevent such a defeat and a defeat under these circumstances would be far more disastrous, not only because it would be a greater blow to Soviet prestige throughout the world, but because it would seriously threaten Soviet control over the Chinese Communist regime. Even a victory in Korea through the use of Chinese Communist troops would have its disadvantages for the Kremlin. The presence of Chinese Communist troops in Korea would complicate if not jeopardize Soviet direction of Korean affairs; Chinese Communist prestige, as opposed to that of the USSR, would be enhanced; and Peiping might be tempted as a result of success in Korea

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to challenge Soviet leadership in Asia. In addition to these purely internal difficulties, the use of Chinese Communist forces in Korea would increase the risk of global war, not only because of possible UN or US reaction but because the USSR itself would be under greater compulsion to assure a victory in Korea, possibly by committing Soviet troops.

Taiwan Invasion The principal problems confronting the Kremlin in deciding whether to permit an invasion of Taiwan are the nature and extent of US reaction and the risk of global war precipitated because of the spread of Communist military aggression. Several factors may lead to a decision to launch an assault on Taiwan before the typhoon season in late August. Recent evidence indicates that Chinese Communist forces are poised for the invasion and available land, sea and air forces may now be capable of launching a successful assault. If a sizeable beachhead is established, the resultant panic in Nationalist ranks might well induce desertions and snowballing defections sufficient to cause a virtual collapse of organized Nationalist resistance. The Peiping regime is already publicly committed to the Taiwan operation and the operation would not divert forces which might be needed in Korea. In addition, the USSR may reason that US support of Taiwan would gain less international support than the defense of South Korea and that the invasion should be undertaken before the US can reinforce its "neutralization" forces in the Formosa Strait. Despite these favorable considerations the fact remains that an invasion of Taiwan would be an immensely costly operation with the resulting political and strategic advantages balanced by the increased risk of precipitating a global war which it is believed the USSR does not presently desire.

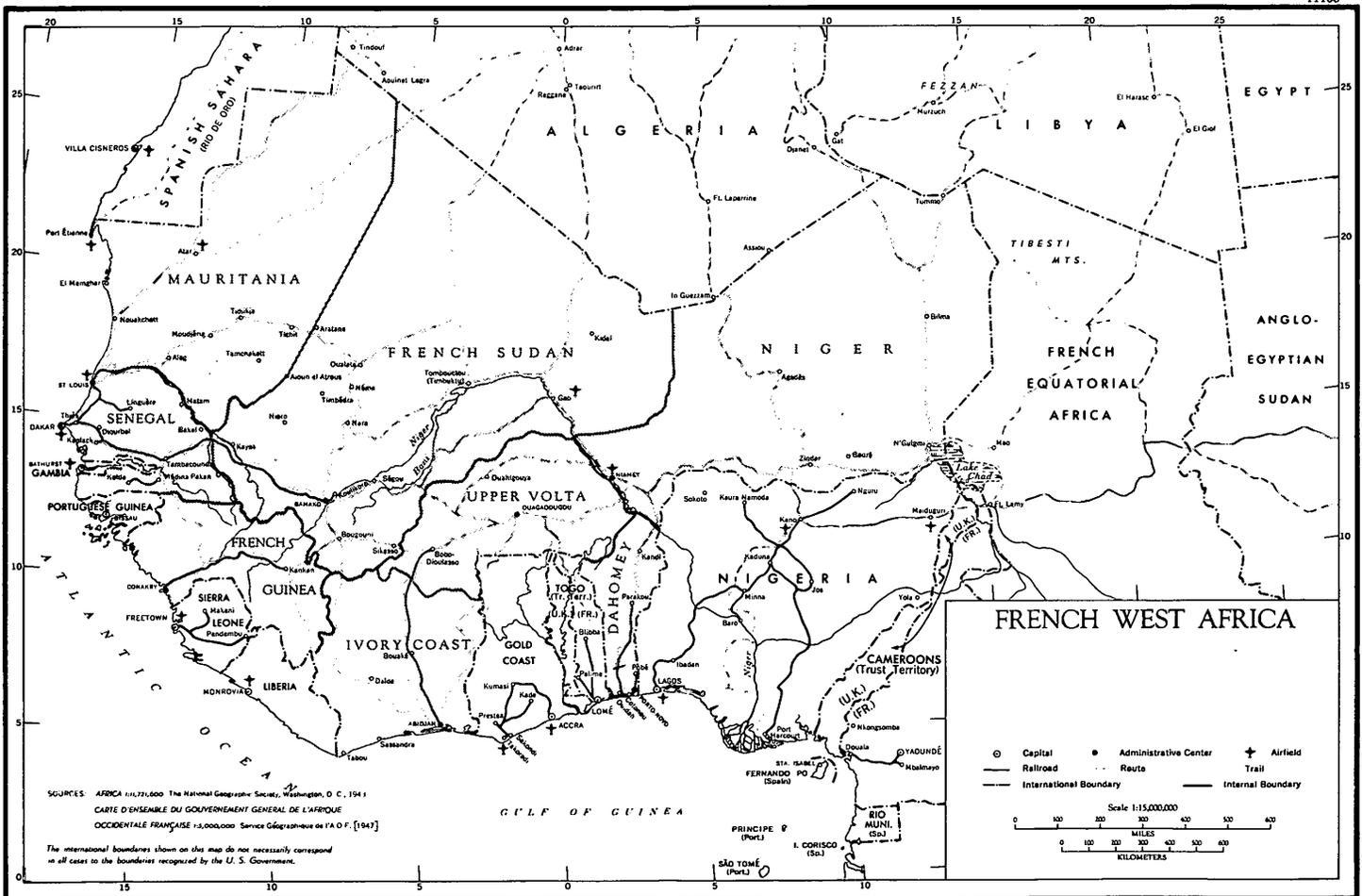
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Support for Indochina Indochina offers the Chinese Communists their greatest opportunity for expanding Communist influence in Asia with the minimum military or political risks. From a military viewpoint, the Indochina conflict has been a stalemate. Despite considerable successes, the French have been unable fully to capitalize on their superiority in equipment and manpower because of the essentially guerrilla nature of the fighting and the terrain which prevents large-scale operations. Given equipment and supplies similar to that of the French, the forces of Ho Chi-Minh could shift the course of the present inconclusive warfare in their favor. The Chinese Communists have the capabilities to supply the material needed by Ho Chi-Minh and may be expected to step up such assistance in the immediate future.

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SECRET**LOCAL DEVELOPMENTS**

African Defense The French General Staff is reportedly considering the advisability, in the event of war, and the overrunning of France, of basing French resistance in West Africa as well as in North Africa. The French apparently have doubts as to their ability to hold North Africa and are anxious to establish another line of defense south of the Sahara along the fourteenth parallel, skirting the first fully habitable land south of the desert. The French maintain that the desert areas of Libya and Niger can be crossed by a large and properly organized expeditionary force, and that a Soviet force, landing in politically unstable Libya, could advance virtually unopposed to the Gulf of Guinea, deny this strategically important area to the US, jeopardize the export of uranium from the Belgian Congo and permit the USSR to acquire Atlantic bases. The French hope that the new defense line would help to prevent the USSR from attempting to cut off the western bulge of Africa. The present proposed pattern of defense installations includes the establishment of an extensive air base at Bilma (Niger), to be sustained in the west by the existing military installations at Bamako (Sudan) and in the east by Fort Lamy (Chad), with intervening strategically located points of support at Zinder (Niger) and Gao (Sudan). The chief obstacle to French defense plans in Africa is the inadequacy of funds and personnel because of prior commitments elsewhere. Although some Communist activity along the fourteenth parallel has been reported by French authorities, it is not likely that the Communists could effectively interfere with French defense efforts in this backward and sparsely populated area.

Central Africa An important step toward solution of the long-standing problem of developing Central African transportation facilities was taken when the UK and Portugal recently concluded a twenty-year convention on transport relations

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between British territory in Central Africa and the Portuguese colony of Mozambique. Negotiations are also continuing in connection with an interim operating or phasing program for Mozambique and surveys are being planned to investigate other transport outlets for the land-locked British territories. Any substantial improvement in the area's transport facilities resulting from these measures would serve US interests by: (1) expediting the flow of strategic materials being stockpiled by the US; (2) aiding the economic recovery of European colonial powers; and (3) contributing to the orderly economic and political development of the African continent. Although the colonial powers will remain reluctant to depart from their past practice of securing the maximum economic benefits from their African colonies, the constructive action now being taken to improve transportation facilities may point the way to the broad opportunities available to the West to develop this backward area, politically and economically, while Africa remains relatively stable and secure, unthreatened by Communist subversion or pressure.

East German Police Although the situation in Korea has increased West German fears of a similar Soviet-inspired military aggression, the state of training, armament and indoctrination of the Soviet Zone paramilitary Alert Police makes it highly unlikely that the USSR will attempt to use this force for an invasion of West Germany. The Alert Police could now be effective only for security operations within the Soviet zone, and possibly for petty harassing incidents against West Germany and West Berlin. The Alert Police will, however, be expanded, and therefore constitute an increasing threat to unarmed West Germany. Essentially a training group organized in part along military lines, the Alert Police can be developed into an effective, highly mobile internal security force or into the cadre for an East German army. Training in the Alert Police is primarily military, and under the close supervision of Soviet Army officers, emphasis is placed on the creation of cadres

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for possible future development. The force now comprises approximately 53,000 officers and men (a considerable increase during the past year) and T/O strength will probably not rise above 55,000 during 1950. Completion of training for approximately 15,000 men in the alert schools will increase tactical capabilities; coastal patrol units have recently been activated and air units may be established.

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